

1 HB342
2 183184-1
3 By Representatives McMillan, Shiver and Davis
4 RFD: State Government
5 First Read: 02-MAR-17

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8 SYNOPSIS: This bill would provide an optional one-time
9 lump sum payment to retirees and beneficiaries of
10 those who were employed by certain county,
11 municipal, and public or quasi-public organizations
12 that participated in the Employees' Retirement
13 System (ERS).
14

15 A BILL
16 TO BE ENTITLED
17 AN ACT
18

19 To provide for an optional one-time lump-sum
20 addition to the retirement benefits of certain retirees and
21 beneficiaries of those whose employer participated in the
22 Employees' Retirement System pursuant to Sections 36-27-6,
23 36-27-7, and 36-27-7.1, Code of Alabama 1975.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is provided for fiscal year
26 2017-2018 an optional one-time lump-sum payment, hereinafter
27 referred to as lump-sum payment, to those whose employer

1 participated in the Employees' Retirement System pursuant to
2 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
3 1975, whose effective date of retirement for purposes of
4 receiving benefits from the Employees' Retirement System is
5 prior to May 1, 2017, and who is receiving or is entitled to
6 receive a monthly allowance from the Employees' Retirement
7 System on November 30, 2017.

8 (b) The formula for calculating the lump-sum payment
9 shall be two dollars (\$2) per month for each year of service
10 attained by the retiree or three hundred dollars (\$300),
11 whichever is greater.

12 (c) For purposes of this act, service includes the
13 service under Section 36-27-1 and Article 9, commencing with
14 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama
15 1975, as well as hazardous duty (FLC bonus) credit.

16 Section 2. (a) Each person whose employer
17 participated in the Employees' Retirement System pursuant to
18 Section 36-27-6, Code of Alabama 1975, whose effective date of
19 retirement for purposes of receiving benefits from the
20 Employees' Retirement System is prior to May 1, 2017, and who
21 is receiving or is entitled to receive a monthly allowance
22 from the Employees' Retirement System on November 30, 2017,
23 shall receive the lump-sum payment specified in subsections
24 (a) and (b) of Section 1, if the employer elects to come under
25 this act by official resolution on or before October 31, 2017.
26 Any employer making the election to come under the act shall

1 bear the cost of the lump-sum payment paid to its retirees
2 pursuant to this section.

3 (b) If the employer elects to come under this act,
4 beneficiaries of deceased members or deceased retirees retired
5 from an employer participating in the Employees' Retirement
6 System pursuant to Section 36-27-6, Code of Alabama 1975, if
7 the date of death for the deceased member or the effective
8 date of retirement for the deceased retiree for purposes of
9 receiving benefits from the Employees' Retirement System was
10 prior to May 1, 2017 and if the beneficiary is receiving or is
11 eligible to receive a monthly allowance from the Employees'
12 Retirement System on November 30, 2017, shall receive a
13 lump-sum payment of three hundred dollars (\$300).

14 Section 3. (a) Each person whose employer
15 participated in the Employees' Retirement System pursuant to
16 Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose
17 effective date of retirement for purposes of receiving
18 benefits from the Employees' Retirement System is prior to May
19 1, 2017, and who is receiving or is entitled to receive a
20 monthly allowance from the Employees' Retirement System on
21 November 30, 2017, shall receive the lump-sum payment
22 stipulated in subsections (a) and (b) of Section 1. Any
23 employer making the election to come under the act shall bear
24 the cost of the lump-sum payment paid to its retirees pursuant
25 to this section.

26 (b) If the employer elects to come under this act,
27 beneficiaries of deceased members or deceased retirees of

1 employers participating in the Employees' Retirement System
2 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
3 1975, shall receive a lump-sum payment of three hundred
4 dollars (\$300).

5 Section 4. (a) Any retired pensioner or annuitant
6 who retired from a city, town, county, or public or
7 quasi-public organization of the state before the city, town,
8 county, or public or quasi-public organization of the state
9 became a member of the Employees' Retirement System, and who
10 is receiving or is entitled to receive a monthly allowance
11 from the Employees' Retirement System on November 30, 2017
12 shall receive the lump-sum payment stipulated in subsections
13 (a) and (b) of Section 1, provided the employer elects to come
14 under this act. Any employer making the election to come under
15 the act shall bear the cost of the lump-sum payment paid to
16 its retirees pursuant to this section and provide the
17 Employees' Retirement System with the number of years of
18 creditable service earned by each of its eligible annuitants
19 and pensioners.

20 (b) Beneficiaries of Employees' Retirement System
21 pensioners or annuitants described in subsection (a) shall
22 receive a lump-sum payment of three hundred dollars (\$300),
23 provided the date of death for the deceased pensioner or
24 annuitant or the effective date of retirement for the deceased
25 pensioner or annuitant was prior to May 1, 2017 and the
26 beneficiary is receiving or is entitled to receive a monthly
27 allowance from the Employees' Retirement System on November

1 30, 2017 and the local unit elects to fund the lump-sum
2 payment of three hundred dollars (\$300) and provides the
3 Employees' Retirement System with the number of years of
4 creditable service earned by each of its eligible annuitants
5 and pensioners.

6 Section 5. Any pensioner or annuitant who retired
7 from a city, town, county, or public or quasi-public
8 organization of the state before the city, town, county, or
9 public or quasi-public organization of the state became a
10 member of the Employees' Retirement System and is receiving a
11 monthly benefit on November 30, 2017, not administered by the
12 Employees' Retirement System may receive the lump-sum payment
13 stipulated in subsections (a) and (b) of Section 1, provided
14 the retired employee retired prior to May 1, 2017, and the
15 employer decides to come under this act and fund the lump-sum
16 payment. The Employees' Retirement System shall not make
17 payments to these pensioners or annuitants. The employer shall
18 make payments to its pensioners and annuitants under this
19 section.

20 Section 6. The Board of Control of the Employees'
21 Retirement System shall make all reasonable efforts to notify
22 any employer who participated in the Employees' Retirement
23 System and has withdrawn from participation by the effective
24 date of this act that the lump-sum stipulated in Section 1 is
25 available to their retirees and beneficiaries provided the
26 employer elects the lump-sum payment.

1 Section 7. Any person who received benefits under
2 the Medicaid program and whose eligibility for Medicaid
3 benefits would be impaired by the lump-sum payment provided by
4 this act shall not be entitled to receive the aforementioned
5 increase. Any person who subsequently applies for benefits
6 under the Medicaid program and that person's eligibility to
7 receive benefits is impaired by the lump-sum payment provided
8 by this act shall not be entitled to receive the increase
9 subsequent to the date that the member files application for
10 benefits under the Medicaid program.

11 Section 8. The Board of Control of the Employees'
12 Retirement System shall determine the amount required to pay
13 the cost of the lump-sum payments provided under this act and
14 shall notify the chief fiscal officer of each employer of the
15 increases in the employer rate required to be paid to the
16 system. For the fiscal year beginning October 1, 2018 only,
17 each employer shall pay the increase in the employer rate in
18 the same manner and from the same source of funds as salaries
19 of active members are paid.

20 Section 9. The lump-sum payments provided under this
21 act shall be paid to all eligible recipients by the Employees'
22 Retirement System in December 2017.

23 Section 10. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwsie becoming law.